

**Introduced by Senators Brulte and Knight
(Coauthors: Senators Battin, Haynes, Johannessen, Oller, and
Poochigian)**

February 23, 2001

An act to amend Sections 20543 and 20544 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 854, as introduced, Brulte. Franchise and income tax laws: seniors' tax assistance: full value: property tax equivalent.

The Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Assistance Law provides for payment of assistance by the Franchise Tax Board to claimants, whether those claimants own or rent their residences, in accordance with schedules that reduce the amount of assistance provided as the amount of a claimant's household income increases along a specified scale of household income amounts. The amount of assistance for a claimant owning his or her residential dwelling is a specified percentage, based on household income, of tax on the first \$34,000 of full value. The amount of assistance for a claimant renting his or her residence is a specified percentage, based on household income, of the statutory property tax equivalent of \$250. Existing law provides for a one-time 150% increase in property tax assistance payments for low-income senior citizens and disabled individuals for the 2000–01 fiscal year, as provided.

This bill would continue indefinitely the 150% increase in property tax assistance payments for low-income senior citizens and disabled individuals, which amounts would be revised annually, based on an inflation adjustment factor.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 20543 of the Revenue and Taxation
2 Code is amended to read:

3 20543. (a) (1) The amount of assistance for a claimant
4 owning his or her residential dwelling shall be based on claimant's
5 household income for the period set forth in Section 20503.

6 (2) Except as provided in paragraph (3) *for the 2000 calendar*
7 *year and each year thereafter*, the percentage of assistance for
8 which each claimant owning his or her residential dwelling shall
9 be eligible shall be based on the following scale:

If the total household income (as defined in this part) is not more than:	The percentage of tax on the first \$34,000 of full value (as de- termined for tax purposes) used to provide assistance is:
15 \$3,300	96%
16 3,520	94
17 3,740	92
18 3,960	90
19 4,180	88
20 4,400	86
21 4,620	84
22 4,840	82
23 5,060	80
24 5,280	78
25 5,500	76
26 5,720	73
27 5,940	69
28 6,160	65
29 6,380	61
30 6,600	57
31 6,820	53
32 7,040	49
33 7,260	45

1	7,480	41
2	7,700	37
3	7,920	34
4	8,140	31
5	8,360	28
6	8,580	25
7	8,800	22
8	9,020	20
9	9,240	18
10	9,460	16
11	9,680	14
12	9,900	12
13	10,450	10
14	11,000	8
15	11,550	7
16	12,100	6
17	12,650	5
18	13,200	4

(3) For claims filed with respect to the 2000 calendar year *and each calendar year thereafter*, the percentage of assistance for which each claimant owning his or her residential dwelling shall be eligible shall be based on the following scale:

If the total household income (as defined in this part) is not more than:		The percentage of tax on the first \$34,000 of full value (as determined for tax purposes) used to provide assistance is:
29	\$8,498	240%
30	9,065	235
31	9,631	230
32	10,198	225
33	10,765	220
34	11,331	215
35	11,897	210
36	12,464	205
37	13,031	200
38	13,598	195
39	14,164	190
40	14,730	183



1	15,297	173
2	15,864	163
3	16,430	153
4	16,997	143
5	17,563	133
6	18,129	123
7	18,697	113
8	19,263	103
9	19,830	93
10	20,396	85
11	20,962	78
12	21,530	70
13	22,096	63
14	22,662	55
15	23,229	50
16	23,795	45
17	24,362	40
18	24,929	35
19	25,495	30
20	26,912	25
21	28,328	20
22	29,745	18
23	31,161	15
24	32,578	13
25	33,993	10

(b) With respect to assistance that is provided by the Franchise Tax Board pursuant to this chapter for the 1999 calendar year, the household income figures set forth in paragraph (2) of subdivision (a) shall be multiplied by a factor of 2.51.

(c) With respect to assistance that is provided by the Franchise Tax Board pursuant to this chapter for the 2000 calendar year and each year thereafter, the household income figures that apply to assistance provided by the Franchise Tax Board during that period shall be the household income figures that applied to assistance provided by the Franchise Tax Board in the same period in the immediately preceding year, multiplied by an inflation factor calculated as follows:

(1) On or before February 1 of each year, the Department of Industrial Relations shall transmit to the Franchise Tax Board the

percentage change in the California Consumer Price Index for all items from June of the second preceding calendar year to June of the immediately preceding calendar year.

(2) The Franchise Tax Board shall add 100 percent to the percentage change figure that is furnished pursuant to paragraph (1) and divide the result by 100.

(3) The Franchise Tax Board shall multiply the immediately preceding household income figure by the inflation adjustment factor determined in paragraph (2), and round off the resulting product to the nearest one dollar (\$1).

SEC. 2. Section 20544 of the Revenue and Taxation Code is amended to read:

20544. (a) (1) The amount of assistance for a claimant renting his or her residence shall be based on the claimant's household income for the time period set forth in Section 20503.

(2) Except as provided in paragraph (3) *for the 2000 calendar year and each year thereafter*, the percentage of assistance for which each claimant renting his or her residence shall be eligible shall be based on the following scale:

If the total household income (as defined in this part) is not more than:		The percentage of the statutory property tax equivalent used to provide assistance is:	
		The statutory property tax equivalent is:	
\$3,300	\$250		96%
3,520	250		94
3,740	250		92
3,960	250		90
4,180	250		88
4,400	250		86
4,620	250		84
4,840	250		82
5,060	250		80
5,280	250		78
5,500	250		76
5,720	250		73
5,940	250		69
6,160	250		65
6,380	250		61
6,600	250		57

1	6,820	250	53
2	7,040	250	49
3	7,260	250	45
4	7,480	250	41
5	7,700	250	37
6	7,920	250	34
7	8,140	250	31
8	8,360	250	28
9	8,580	250	25
10	8,800	250	22
11	9,020	250	20
12	9,240	250	18
13	9,460	250	16
14	9,680	250	14
15	9,900	250	12
16	10,450	250	10
17	11,000	250	8
18	11,550	250	7
19	12,100	250	6
20	12,600	250	5
21	13,200	250	4

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23 (3) For claims filed with respect to the 2000 calendar year *and*
 24 *each calendar year thereafter*, the percentage of assistance for
 25 which each claimant renting his or her residence shall be eligible
 26 shall be based on the following scale:

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If the total household		The percentage of the	
income (as defined in this		statutory property tax	
part) is not more than:		equivalent used to	
		provide assistance is:	
29	\$8,498	\$625	96%
30	9,065	625	94
31	9,631	625	92
32	10,198	625	90
33	10,765	625	88
34	11,331	625	86
35	11,897	625	84
36	12,464	625	82
37	13,031	625	80

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1	13,598	625	78
2	14,164	625	76
3	14,730	625	73
4	15,297	625	69
5	15,864	625	65
6	16,430	625	61
7	16,997	625	57
8	17,563	625	53
9	18,219	625	49
10	18,697	625	45
11	19,263	625	41
12	19,830	625	37
13	20,396	625	34
14	20,962	625	31
15	21,530	625	28
16	22,096	625	25
17	22,662	625	22
18	23,229	625	20
19	23,795	625	18
20	24,362	625	16
21	24,929	625	14
22	25,495	625	12
23	26,912	625	10
24	28,328	625	8
25	29,745	625	7
26	31,161	625	6
27	32,578	625	5
28	33,993	625	4
29			

(b) With respect to assistance that is provided by the Franchise Tax Board pursuant to this chapter for the 1999 calendar year, the household income figures set forth in paragraph (2) of subdivision (a) shall be multiplied by a factor of 2.51.

(c) With respect to assistance that is provided by the Franchise Tax Board pursuant to this chapter for the 2000 calendar year and each year thereafter, the household income figures that apply to assistance provided by the Franchise Tax Board during that period shall be the household income figures that applied to assistance provided by the Franchise Tax Board in the same period in the



1 immediately preceding year, multiplied by an inflation factor
2 calculated as follows:

3 (1) On or before February 1 of each year, the Department of
4 Industrial Relations shall transmit to the Franchise Tax Board the
5 percentage change in the California Consumer Price Index for all
6 items from June of the second preceding calendar year to June of
7 the immediately preceding calendar year.

8 (2) The Franchise Tax Board shall add 100 percent to the
9 percentage change figure that is furnished pursuant to paragraph
10 (1) and divide the result by 100.

11 (3) The Franchise Tax Board shall multiply the immediately
12 preceding household income figure by the inflation adjustment
13 factor determined in paragraph (2), and round off the resulting
14 product to the nearest one dollar (\$1).

15 SEC. 3. This act is an urgency statute necessary for the
16 immediate preservation of the public peace, health, or safety
17 within the meaning of Article IV of the Constitution and shall go
18 into immediate effect. The facts constituting the necessity are:

19 In order to permanently apply an increase of property tax
20 assistance payments for low-income seniors and disabled
21 individuals for the 2001–02 fiscal year and each fiscal year
22 thereafter, it is necessary that this act go into immediate effect.

